

MARKET OVERVIEW

While the third quarter of 2011 was characterized by volatility and risk aversion, and consequently negative returns, the fourth quarter delivered a massive rebound. The S&P 500[®] Index gained 11.82% for the fourth quarter of 2011 and finished up 2.11% for the year. The Russell Midcap[®] Growth Index rebounded 11.24% in the quarter, but couldn't quite get back into positive territory for the year, ending with a loss of 1.65%.

The reason for the sharp rally wasn't that the situation in Greece and Europe showed big signs of improvement; the drama (tragedy?) continued. Europe's struggled with the debt burden and the austerity measures aimed at fixing them. However, it seemed that U.S. investors suffered from fatigue of the daily news flow regarding the problems in Europe, and began shifting their focus back home.

Here in the U.S., despite this being the "worst recovery since the Great Depression", it has been a recovery nonetheless. Although growth is slowing, we have seen modest improvements in employment, and inflation fears eased some. In the holiday selling season, the American consumer proved he wasn't quite dead yet. In retrospect, the low point in sentiment, and thus a low point for equity valuations at the end of Q3 set the stage for a powerful rally, fueled by the absence of more bad news

PERFORMANCE OVERVIEW

The Stephens Mid Cap Growth Fund (Class A) was up 11.29% (without sales charge), just beating our benchmark, the Russell Midcap Growth[®] Index, by 0.05% for the fourth quarter of 2011.

The performance reversal from the previous quarter was most pronounced in Energy. After a difficult Q3, this quarter Energy topped the list. In spite of a slowing global economy, oil prices have been resilient all year, and improved throughout the quarter. Our overweight position here helped the Fund's performance. The Fund's largest holding, Core Laboratories N.V. was also one of its top contributors.

Consumer stocks rebounded as well. Restaurants and Specialty Retail stood out as winners. Panera Bread Co. was the Fund's top contributor for the quarter.

Healthcare stocks did not participate in the rally to quite the same extent as other sectors, and it lagged the broad market. We had success in our Biotech and Pharmaceutical holdings. Cerner Corp underperformed after four consecutive quarters of healthy returns. It remains one of our largest holdings.

Technology stocks were a highlight for the Fund, as we outperformed the benchmark by way of security selection. F5 Networks Inc. rebounded nicely, and continues to demonstrate healthy fundamentals and market share gains. Internet auctioneer, MercadoLibre Inc. posted huge gains after reporting a robust Q3. We also had success in our semiconductor related firms, as they all appear to emerging from cyclical bottoms.

Performance data as of 12/31/11

Average Annualized Total Returns

	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception	Since Inception Date	Expense Ratio Gross	Expense Ratio Net[Ⓔ]
Stephens Mid Cap Growth Fund Class A (w/out Sales Charge)	11.29%	2.45%	2.45%	22.40%	4.38%	3.31%	2/1/06	2.01%	1.51%
Stephens Mid Cap Growth Fund Class A (w/Sales Charge)	5.48%	-2.96%	-2.96%	20.19%	3.27%	2.37%	2/1/06		
Stephens Mid Cap Growth Fund Class I	11.28%	2.68%	2.68%	22.67%	4.65%	5.67%	8/31/06	1.76%	1.26%
Russell Midcap [®] Growth Index	11.24%	-1.65%	-1.65%	22.06%	2.44%	A: 2.78% I: 4.02%			
S&P 500 [®] Index	11.82%	2.11%	2.11%	14.11%	-0.25%	A: 1.81% I: 1.47%			

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-735-7464. The Fund imposes a 2% redemption fee on Class A shares held less than 30 days. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced. Performance data shown without Sales Charge does not reflect the deduction of the sales load or fee. If reflected, the load or fee would reduce the performance quoted. Performance data shown with Sales Charge reflects the maximum sales charge of 5.25%.

[Ⓔ]The Investment Advisor has contractually agreed to reduce its fees of the Fund through March 31, 2012. Investment performance reflects fee waiver, in the absence of such waivers, total return would be reduced.

PORTFOLIO CHARACTERISTICS

Technology is still the Fund's largest sector, at 27% of assets. We added some new Consumer Discretionary stocks, and this brought the weight up to 18%. Healthcare is our third largest sector, at about 17%. Energy is back up to 11% of assets, and is overweight relative to the Fund's benchmark. We are still underweight Materials and Financials.

After the low points in September, valuations rebounded a little. The Fund's median holding now trades at 17.2x its forecasted next twelve months earnings, versus 15.2x just three months prior. As expected, earnings growth rates have slowed some. Current predictions put the next twelve months' growth at 16% for our median holding, while the median company in our benchmark is expected to grow 14.2%. Actual growth is still robust: in the most recently reported quarter, our median company showed 25% earnings growth.

OUTLOOK

Are you tired of hearing about macro-economic troubles? Do you just wish that something – anything – would happen with Greece, to force the issue so we can begin to move on? It's not just European economic woes, I could go on and on about the jawboning regarding U.S. economic policy.

It seems that fatigue is starting to set in. It's not that these issues aren't important, they are! But in the short run there's not much we can do about them. As long term investors, we don't want to get sucked in to the temptation of trying to make short term trading calls on guessing the outcomes of these events. Will this be the quarter (or year) when Greece defaults? Or when the Euro dissolves? Or the tensions in between Iran and Israel actually lead to war?

For three and a half years, investors have been keenly focused on macro-level issues. For the last two years, the mantra has been "risk-on" or "risk-off" depending on the day of the week.

In case we had forgotten, it turns out that it is very difficult to predict the outcome of these matters, and perhaps even more difficult to time the execution (both the entry and the exit – buy and hold doesn't work for this type of trading!) of a financial transaction that capitalizes from said prediction. It's so hard in fact, that my guess is that most people have lost money playing that game. And even if they aren't playing, they're tired of focusing on it. Now what?

Back to the basics, of course. The U.S. economy seems to be getting better, albeit slowly. Employment figures are improving. The holiday selling season was actually pretty good. Consumer and business confidence are both on the mend. This hasn't been like other recoveries, however. It has been much slower and less...certain, for lack of a better word. Economically, this is uncharted territory. And for portfolio managers and investors, it means that there is no "playbook", no obvious consensus.

Our vision for the next quarter and the coming year isn't as clear as it was about the prior quarter. Optimism might be too strong of a word, but barring some exogenous shock to the system, it seems as though things should continue to improve here domestically. We continue to find exciting businesses and innovative companies. And as long as these other macro crises fail to materialize or at least are deferred or avoided, we can have a productive environment for stock-picking.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

The Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index. **Forward EPS Growth:** Earnings per share (EPS) is calculated by taking the total estimated forward earnings divided by the number of shares outstanding by the price per share. **Forward earnings does not guarantee a corresponding increase in the market value of the holdings or the Fund.**

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contains this and other important information about the investment company, and may be obtained by calling (866)735-7464, or visiting www.stephensfunds.com. Read carefully before investing.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in small and/or mid sized companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

NOT FDIC INSURED MAY LOSE VALUE NOT BANK GUARANTEED

Quasar Distributors, LLC, distributor

TOP TEN HOLDINGS

Core Laboratories NV	1.93%
Cerner Corp.	1.66%
Stericycle, Inc.	1.55%
Ross Stores, Inc.	1.49%
VeriSign, Inc.	1.45%
Airgas, Inc.	1.41%
Whole Foods Market, Inc.	1.41%
Red Hat, Inc.	1.39%
ASML Holding NV	1.37%
Iron Mountain, Inc.	1.36%

TOTAL TOP TEN HOLDINGS* **15.02%**

* Excludes Money Market Fund holdings.

Fund holdings and asset allocations are subject to change and are not recommendations to buy or sell any security.

FOR MORE INFORMATION, CONTACT:

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